

The FIFTEENTH ANNUAL REPORT

TO THE *Shareholders*

**BIG
NAMA CREEK
MINES LIMITED**

Baylen

Renamed YORK CONSOLIDATED EXPLORATION LTD. 1977



**FOR THE YEAR
ENDED DECEMBER 31**

1968

DIRECTORS

M. J. BOYLEN - - - - - Toronto, Ontario.
PHILIP E. BOYLEN - - - - - Toronto, Ontario.
DAVID W. GORDON - - - - - Toronto, Ontario.
GORDON L. MOORE - - - - - Islington, Ontario.
CHARLES B. BRANNIGAN - - - - - Toronto, Ontario.

OFFICERS

M. J. BOYLEN - - - - - *President*
DAVID W. GORDON - - - - - *Vice-President*
GORDON L. MOORE - - - - - *Secretary Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant Treasurer*

HEAD OFFICE

908-330 Bay Street - - - - - Toronto, Ontario.

**TRANSFER AGENT
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA
Toronto, Ontario

AUDITORS

SNYDER, CRAIG & CO.
Toronto, Ontario

BIG NAMA CREEK MINES LIMITED

BIG NAMA CREEK MINES LIMITED

Directors' Report

To the Shareholders:—

The Fifteenth Annual Report of the Company, including a copy of its financial statements for the year ended December 31st, 1968, and the Report of the Auditors, is presented for your consideration.

ONTARIO

Lithium Property, Beardmore Area

Nothing new has been done on the lithium property during the year. The claims are all held in good standing.

Manitouwadge Property, Beardmore Area

Willroy Mines Limited, the optionees of the Manitouwadge zinc-copper-silver ore body, engaged in active underground development of this deposit during 1968. The ore that was treated from this exploration and development work has responded quite well under test runs in the Willroy metallurgical circuit and some favourable profit indications have been received from the work done to date.

The Willroy management report for the month of March 1969 is the most favourable one to date. During this month the mill test treated 4,695 tons of development ore grading 1.10% copper, 6.69% zinc, 0.23% lead and 1.49 oz. of silver per ton. This tonnage came from areas of the ore body that are being prepared for mining later on in the year. As an example of what might be expected, when the Mine reaches production stage, the 4,695 tons test treated showed a net smelter return of approximately \$72,500 or \$15.44 per ton. The net cash flow after deducting allowable charges against this amounted to \$30,043.

It is unlikely that production will get underway at the Mine much before the fall of 1969, as the equipment necessary for the mining of the ore body will not be available until that time. However, the development of the zone will continue.

Carb Lake Property, Patricia Portion, Red Lake Mining Division

In April, 1967, Big Nama Creek Mines Limited and Larandona Mines Limited entered into an agreement whereby they are sharing equally the staking and exploration costs on 73 mining claims in the Carb Lake Area, Red Lake Mining Division of Ontario.

Chemical and spectrographic studies continued of selected samples of the carbonatite diamond drill cores during 1968. We now know which group of Rare Earths that this deposit contains and the work so far has indicated additional drilling will be required to further assess these possibilities of the deposit. Due to the low-lying swampy nature of the ground that completely covers this intrusive carbonate body, it will be necessary to carry out any diamond drilling during the winter months when the area is tightly frozen. Recommendations have been made by our Geological Department that another series of test holes be bored into the deposit during the winter of 1969-70. In the meantime sufficient work has been done to maintain the group in good standing.

Uchi-Confederation Lakes Area, Red Lake Mining Division

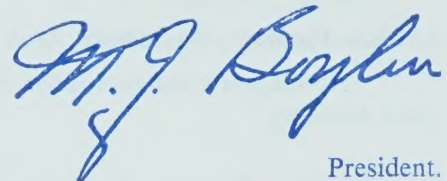
The Company has acquired by staking a group of fifteen mining claims at Shabumeni Lake in the Uchi-Confederation Lakes area of the Red Lake Mining Division. These were staked on the formation of a possible major base metal discovery. It is proposed to carry out an airborne magnetometer-electromagnetic survey of this claim group in conjunction with other companies working in the area, with ground follow-up to be made during the 1969 field season.

NEWFOUNDLAND

York Harbour

Negotiations have been entered into with a large U.S. producer that should enable the York Harbour property of this Company to be subject to active development and exploration during 1969. If the negotiations lead to an agreement between us, it is hoped that work will commence by early summer.

On behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to read "M. J. Boylan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

President.

Toronto, Ontario,
April 23, 1969.

SNYDER, CRAIG & CO.

CHARTERED ACCOUNTANTS

CABLE ADDRESS "JNOCRAIG"
TELEPHONE EMPIRE 6-9444

330 BAY STREET

TORONTO
CANADA

To the Shareholders of
BIG NAMA CREEK MINES LIMITED,
Toronto, Ontario.

We have examined the Balance Sheet of Big Nama Creek Mines Limited as at December 31, 1968, the Statements of Deferred Expenditures and Source and Application of Funds for the year ended on that date, and the Notes to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No provision has been made for the excess of cost over the market value of the Company's investments in shares of other mining companies.

We are unable to determine when the overdue notes receivable of Beauce Placer Mining Co. Ltd. and accrued interest will be paid and consequently are unable to express an opinion on the value of this asset.

Subject to the above limitations, in our opinion, these Financial Statements present fairly the financial position of the Company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year ended on that date in accordance with generally accepted accounting principles allied on a basis consistent with that of the preceding year.

SNYDER, CRAIG & CO.

Chartered Accountants.

April 11, 1969.

BIG NAMA CREE

(Incorporated un

Balance Sheet—

ASSETS

	1968	1967
Current		
Cash	\$ 3,502	\$ 607
Bank deposit receipt	—	25,000
Accounts receivable	15,815	16,497
Prepaid expenses	785	1,418
	<u>20,102</u>	<u>43,522</u>
Investments		
Shares of other mining companies having a quoted market value, at cost (Note 1) (Quoted market value \$32,685 — 1967 \$49,620)	72,169	78,719
Shares of another mining company, at nominal value (Note 1)	1	1
	<u>72,170</u>	<u>78,720</u>
Fixed		
Mining claims, leases and grants, at cost (Note 2)	756,964	756,964
Buildings and equipment at York Harbour, Newfoundland, at cost less net proceeds of disposals	132,263	156,883
	<u>889,227</u>	<u>913,847</u>
Miscellaneous and Deferred		
5% Notes receivable from Beauce Placer Mining Co. Ltd. and accrued interest to due date December 17, 1966	75,714	75,714
Account receivable, non-current	984	—
Materials and supplies at York Harbour, Newfoundland, at cost	19,846	21,842
Mine development, exploration and administrative expenses	703,982	642,987
	<u>800,526</u>	<u>740,543</u>
Approved on behalf of the Board		
M. J. BOYLEN, Director		
G. L. MOORE, Director	<u>\$1,782,025</u>	<u>\$1,776,632</u>

(See acco

MINES LIMITED

(In accordance with the Laws of Ontario)

December 31, 1968

LIABILITIES

	1968	1967
Current		
Accounts payable and accrued liabilities	\$ 19,127	\$ 15,237
Long Term		
6½ % Convertible debentures due July 15, 1971 (Note 6)	350,000	350,000

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

5,000,000 Shares of \$1 par value \$5,000,000

Issued:

1,889,252 Shares	1,889,252	1,889,252
Less: Discount thereon	997,972	997,972
	<u>891,280</u>	<u>891,280</u>

Rights offering (Note 7)

Contributed Surplus

Balance unchanged from previous year	1,822,904	1,822,904
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Deficit

Balance, beginning of year	1,302,789	620,995
Add: Mine development and miscellaneous expenses incurred on the Beardmore property	227	669,646
Loss on disposal of fixed assets and supplies at the above property	—	2,999
Investment valuation adjustment (profit on sale)	(1,730)	9,149

Balance, end of year	<u>1,301,286</u>	<u>1,302,789</u>
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Net Shareholders' Equity	<u>1,412,898</u>	<u>1,411,395</u>
	<u>\$1,782,025</u>	<u>\$1,776,632</u>

(See accompanying notes)

BIG NAMA CREEK MINES LIMITED

Statement of Deferred Expenditures

For the year ended December 31, 1968

	1968	1967
Exploration Expenses		
Carb Lake Area Claims, Ontario		
Assays	\$ 93	\$ 348
Consulting fees	585	860
Diamond drilling	19,727	—
Geophysical surveys	1,169	2,868
Maps and blueprints	295	718
Surface exploration	—	1,891
	<u>21,869</u>	<u>6,685</u>
York Harbour Concession, Newfoundland (Including miscellaneous overhead expenses)		
Adit driving	—	3,262
Cookery	—	94
Diamond drilling	—	415
Insurance	1,928	3,741
Maintenance and rental of buildings	—	(174)
Maps and blueprints	—	670
Mine office and warehouse	—	760
Mining license	—	50
Plant shutdown (Overhead expense subsequent to March 31, 1967)	9,135	11,406
Superintendence	—	185
Watchmen and fire protection	—	775
Yard clearing and snow removal	—	61
	<u>11,063</u>	<u>21,245</u>
Less: Equipment rentals	10,177	6,034
	<u>886</u>	<u>15,211</u>
Total Exploration Expenses for the year	<u>\$ 22,755</u>	<u>\$ 21,896</u>

SUMMARY

Balance of deferred expenditure, beginning of year	\$ 642,987	\$1,252,775
Exploration expenses for the year	22,755	21,896
Miscellaneous expenses on inactive properties	395	4,362
Administrative expenses (see opposite)	38,072	33,600
	<u>704,209</u>	<u>1,312,633</u>
Deduct: Exploration expenses written-off	227	669,646
Balance of deferred expenditure, end of year	<u>\$ 703,982</u>	<u>\$ 642,987</u>

BIG NAMA CREEK MINES LIMITED

Statement of Administrative Expenses

For the year ended December 31, 1968

	1968	1967
Advertising	\$ 101	\$ —
Corporation taxes	44	44
Directors fees	1,400	1,500
General expense	27	47
Head office administration	6,000	6,000
Interest on debentures	23,081	20,425
Interest — other	—	940
Legal and audit	2,250	1,600
Listing and filing fees	135	183
Office stationery and supplies	72	189
Postage, telephone and telegraph	380	313
Reports to shareholders	2,017	1,872
Salaries and wages	1,047	—
Transfer agent and registrar fees	1,389	1,433
Travel	380	717
	<u>38,323</u>	<u>35,263</u>
Less: Interest earned	251	1,663
	<u>\$ 38,072</u>	<u>\$ 33,600</u>

BIG NAMA CREEK MINES LIMITED

Statement of Source and Application of Funds

For the year ended December 31, 1968

	1968	1967
Source of Funds		
Issue of 6½ % convertible debentures	\$ —	\$ 100,000
Sale of fixed assets and supplies	26,010	25,932
Sale of investments	8,280	—
	<u>34,290</u>	<u>125,932</u>
Application of Funds		
Acquisition of mining claims	—	2,660
Exploration, miscellaneous overhead and administrative expenses	60,616	59,858
Non-current account receivable transferred from current assets	984	—
	<u>61,600</u>	<u>62,518</u>
Resulting in an increase (decrease) in working capital	<u>\$ (27,310)</u>	<u>\$ 63,414</u>
Working Capital		
At beginning of year (deficiency)	\$ 28,285	\$ (35,129)
Increase (decrease)	(27,310)	63,414
At end of year	<u>\$ 975</u>	<u>\$ 28,285</u>

Notes to Financial Statements

DECEMBER 31, 1968

INVESTMENTS

- Shares of other mining companies having a quoted market value, at cost

	1968	1967
	Market Value	Cost
30,000 shares Atlantic Coast Copper Corp. Ltd.	\$ 15,600	\$ 36,769
91,500 shares Beauce Placer Mining Co. Ltd.	6,405	9,150
1,700 shares Brunswick Mining and Smelting Corp. Ltd.	—	6,550
12,000 shares Northern Canada Mines Ltd.	10,680	26,250
	<u>\$ 32,685</u>	<u>\$ 72,169</u>

Subsequent to the year end, 18,500 shares of Atlantic Coast Copper Corp. Ltd. were sold for \$10,276.

The quoted market value in the aggregate of the remaining investments, because of the large blocks involved, is not necessarily indicative of the amount that might be realized if these investments were sold.

Shares of another mining company, at nominal value

91,500 escrowed shares of Beauce Placer Mining Co. Ltd.	\$1	\$1
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BIG NAMA CREEK MINES LIMITED

Notes to Financial Statements

December 31, 1968

MINING CLAIMS, LEASES AND GRANTS

2. In the Province of Ontario	
Port Arthur Mining Division	
Manitouwadge Lake Area	
13 Patented mining claims, at cost (Note 3)	\$ 63,736
Beardmore Area	
36 Mining leases, at cost	408,696
Red Lake Mining Division	
Carb Lake Area	
One-half interest in 73 mining claims, at cost (Note 4)	2,660
Subsequent to the year end, the Company acquired 15 unpatented mining claims in the Shabumeni Lake Area for staking costs of \$922.	
In the Province of Newfoundland	
York Harbour, District of Humber	
1 Fee simple mining grant, at cost (Note 5)	281,872
	<hr/>
	\$ 756,964

WILLROY AGREEMENT

3. Under an agreement dated July 2, 1963, Big Nama Creek Mines Limited leased its 13 claims in the Manitouwadge Lake Area to Willroy Mines Limited for a term of 20 years and renewable for two additional terms of 10 years each. The agreement provides that Willroy will mine the ore on the property and that Big Nama Creek will receive 50% of the net profits after the recovery by Willroy of certain of its costs of exploration and development.

EXPLORATION AGREEMENTS

4. Under an agreement dated as of April 30, 1967, Big Nama Creek Mines Limited and Larandona Mines Limited are sharing equally the staking and exploration costs on 73 mining claims in the Carb Lake Area, Red Lake Mining Division of Ontario.
5. Under an agreement dated April 1, 1966, the Government of Newfoundland granted Big Nama Creek Mines Limited the right to explore an area of approximately 3.5 square miles adjoining its fee simple mining grant at York Harbour, Newfoundland. The agreement is for a term of five years and sufficient work has been performed to date to keep the agreement in good standing for the full term. The Company may apply for and receive a development license or licenses on an area or areas not exceeding in the aggregate, one square mile within the exploration area.

6½% CONVERTIBLE DEBENTURES

6. The debentures are convertible for shares of the Company on the basis of 2 shares for each \$1 principal amount of debenture and are secured by a floating charge on all the assets of the Company.

RIGHTS OFFERING

7. The Company has offered to shareholders of record at April 18, 1969, the right to purchase one additional share of the Company's stock at 20 cents for every three shares held. The offering expires on May 16, 1969. Arrangements have been made with an underwriter, in the event that the offering realizes less than \$75,000, to take up the balance of this amount.

AND MANA CREDIT UNION LIMITED

James R. Smith, President
John A. Smith, Vice President

MEMBERSHIP LIST

1970-1971

1. Mr. & Mrs. J. R. Smith
2. Mr. & Mrs. J. A. Smith
3. Mr. & Mrs. J. B. Smith
4. Mr. & Mrs. J. C. Smith
5. Mr. & Mrs. J. D. Smith
6. Mr. & Mrs. J. E. Smith
7. Mr. & Mrs. J. F. Smith
8. Mr. & Mrs. J. G. Smith
9. Mr. & Mrs. J. H. Smith
10. Mr. & Mrs. J. I. Smith
11. Mr. & Mrs. J. J. Smith
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13. Mr. & Mrs. J. L. Smith
14. Mr. & Mrs. J. M. Smith
15. Mr. & Mrs. J. N. Smith
16. Mr. & Mrs. J. O. Smith
17. Mr. & Mrs. J. P. Smith
18. Mr. & Mrs. J. Q. Smith
19. Mr. & Mrs. J. R. Smith
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21. Mr. & Mrs. J. T. Smith
22. Mr. & Mrs. J. U. Smith
23. Mr. & Mrs. J. V. Smith
24. Mr. & Mrs. J. W. Smith
25. Mr. & Mrs. J. X. Smith
26. Mr. & Mrs. J. Y. Smith
27. Mr. & Mrs. J. Z. Smith
28. Mr. & Mrs. J. A. Smith
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